IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No 177 of 2000
in
COMPANY APPLICATION No 101 of 2000
WITH
COMPANY PETITION NOS. 178/2000, 179/2000
and 180/2000

For Approval and Signature:

Hon'ble MR.JUSTICE C.K.BUCH

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : YES

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

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BEENSU FINANCIAL PVT. LTD.
Versus
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Appearance:
MRS SWATI SOPARKAR for Petitioner

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CORAM : MR.JUSTICE C.K.BUCH

Date of decision: 21/09/2000

ORAL COMMON JUDGEMENT

1. These four Company Peititons are filed with a prayer to sanction a scheme of amalgamation of three Transferor companies with fourth Transferee company under

sec.391 R/w sec.394 of Companies Act, 1956. It is brought to the notice of the Court that initially four Transferor companies and one Transferee company had prepared a scheme of amalgamation and was brought before this Court, but pending proceedings, one of the Transferor companies withdrew from proceedings and a new scheme between rest of the companies was worked out and was submitted to this Court on the same terms and conditions which at Annex.E to each petition.

2. I have gone through the averments made in the petition, scheme proposed by the petitioner company and the report filed by O.L. in each petition. Report of O.L. is clear to the effect that affairs of the company have not been conducted in the manner prejudicial to the interest of the members or against the public interest. Separate Reports of Chartered Accountant are also filed in each company petition.

3. Ms. P.J.Davawala, learned counsel appearing for Central Government who is present in the court, has tendered letter dated 25.8.2000 addressed to her by the Registrar of Companies, Gujarat which is taken on record, wherein it is contended that matter should be left to the Court to decide on merits. In nutshell, there is no resistance by Registrar of Companies against Scheme of Amalgamation.

4. These are the petitions filed by four companies viz. Beensu Financial Private Limited, Beena Finstock Limited and Miracle Financial Private Limited (Transferor Companies) and Darshnil Financial Private Limited (Transferee Company) for sanction of a scheme of amalgamation of the three Transferor companies with the fourth company which is a Tranferee company under sec.391 read with sec.394 of the Companies Act, 1956.

5. All the Transferor companies are engaged in the activity of finance and investments. The Transferee company is also a company engaged in finance and investment activities. The amalgamation would give the synergic benefits to the amalgamated company. The petitions give details of the advantages that would flow by virtue of the amalgamation of these companies.

6. The Equity Shareholders of all the Transferor companies and the Transferee company had approved the scheme by written consents. All the unsecured creditors of the Transferor companies had approved the scheme by written consents. These consent letters were put on record alongwith respective company applications. There

are no secured creditors in case of any of these companies. Hence, the meetings of the shareholders of all the companies and the creditors of the Transferor companies were dispensed with by this High Court vide the order dated 15.3.2000 passed in the respective company applications.

7. Under the original Scheme of Amalgamation, it was proposed that four Transferor companies shall amalgamate with the Transferee company. However, one of the Transferor companies decided not to proceed further with the proposed amalgamation. Hence the scheme was required to be modified and the specific prayer to substitute the amended scheme in place of the original scheme was granted at the time of admission of the petitions vide order dated 5.7.2000.

8. After the petitions were admitted, they were advertised in the newspapers and the publication in the Government Gazette was dispensed with as directed in the order dated 5.7.2000. No one has come forward with any objections to the said petitions even after the publication.

9. Notice of the petitions has been served upon the Central Government and Shri Akshaybhai Mehta, Sr. Central Government Standing Counsel and Ms. P.J.Davawala, Addl. Central Government Standing Counsel appearing for the Central Government have stated that the Central Government has no objection in sanctioning the Scheme of Amalgamation. Ms. P.J.Davawala has put on record the letter dated 25.8.2000 from the office of the Registrar of Companies for the said purpose.

10. Notices of the petitions of the Transferor companies have also been served upon the Official Liquidator as required under 2nd Proviso to Section 394(1) of the Act and the Official Liquidator has filed his Report dated 15.9.2000 stating that the affairs of the Transferor companies have not been conducted in a manner prejudicial to its members or to public interest.

11. I have heard Ms. Swati Saurabh Soparkar, learned counsel for the petitioner companies. Having gone through the petitions, I am satisfied that amalgamation would be in the interest of the companies and their members. Under the circumstances, the amended Scheme of Amalgamation (Annex.E to the petitions) is sanctioned. Prayer in terms of para-16(B) in case of all the petitions are hereby granted.

12. The petitions are disposed of accordingly. So far as the costs to be paid to the Central Government Standing Counsel is concerned, I quantify the same at Rs.2,500/ ( Rs. two thousand five hundred only ) per petition. The same is to be paid to Shri Akshaybhai Mehta for two petitions and to Ms.P.J.Davawala for two other petitions.

21.9.2000 [ C.K.BUCH, J ]
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